AGENDA
CITY OF GLENWOOD SPRINGS
Planning and Zoning Commission
Regular Meeting
DECEMBER 13, 2022
Council Chambers, First Floor
101 W. 8TH STREET
6:00 PM

1 Attendance Instructions

A. This meeting is held in person and via ZOOM. Please click the link below to join the ZOOM webinar:
https://us02web.zoom.us/j/82622270661?pwd=Y1dtNjd3OHFKWC9xYjJiU3NneHU5Zz09
Passcode: 177366
Or Telephone: Dial(for higher quality, dial a number based on your current location):
US: +1 719 359 4580 or +1 669 900 6833 or +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 or +1 669 444 9171 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 646 931 3860 or +1 689 278 1000 or +1 929 205 6099 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799
Webinar ID: 826 2227 0661

2 Roll Call

3 Receipt of the Minutes

A. October 25, 2022 Planning and Zoning Meeting Minutes

4 Comments from citizens appearing for items not on the agenda

5 New Items

A. Planning File 41-22, Code Amendment to Municipal Code Section 070.045 Community Housing Standards and Guidelines including but not limited to Inclusionary Zoning standards.

6 Commissioner Comments

7 Director Comments

8 Adjournment

MINUTES
CITY OF GLENWOOD SPRINGS
Planning and Zoning Commission
Regular Meeting
October 25, 2022
Council Chambers,
First Floor 101 W. 8TH STREET

1 Roll Call

A. Present: Commissioner Peter Waller, George Shaver, Joy White, Amber Wissing, Carolyn Cipperly, and Mitchell Weimer.

B. Also Present: Asst. City Manager Jenn Ooton, Asst. City Attorney Richard Peterson, Asst. Community Development Director Hannah Klausman, Planner II Emery Ellingson.

C. Not Present: Commissioner Amy Connerton, Commissioner Alternate April Davey

2 Receipt of the Minutes

A. August 23, 2022 Draft Meeting Minutes

Commissioner Cipperly motioned to approve the minutes. Commissioner Weimer seconded the motion. Approved with a vote of 4-0. With Commissioners White and Waller abstaining.

3 Comments from citizens appearing for items not on the agenda

No Public Comments

4 New Items

A. Planning File 24-22 Variance Qdoba Signage 510 Laurel

Emery Ellingson, Planner II made presentation to the Commission on the variance application.

Commissioner Cipperly asked if the applicant could add any more suspended signage to the building, staff explained no additional signage could be added. Additional question on lighting of suspended signs.

Commissioner White asked to confirm status of sign face change on existing permit. Staff confirmed no variance was required for the proposed change to the existing pole sign.

Paul Schritter, Bud's Signs, Grand Junction, presented on behalf of applicant Qdoba. Applicant provided background information on existing signs and proposed signage. Applicant provided summary of applicant's narrative for the variance application criteria.

DRAFT

Commissioner Waller had questions for applicant regarding existing pole sign, illumination, awnings, and existing signage.

Commissioner White had question about the two existing wall signs on the south face of the building.

Commissioner Shaver opened the item to public comment.

Stacy Clayton, Nashville, TN, part of the applicant team called in remotely via Zoom. Stacey talked about the proposed signage variance and commented on the fact that neon signs were allowed in the Downtown Core. Staff confirmed that neon would be allowed.

Applicant Paul Schritter provided additional information to the Commission on the differences between halo lit and channel lit illumination as well as differences between LED lighting and neon lighting.

Commissioner Shaver closed the item to public comment.

Commissioner White had a question if the proposed sign would be allowed with neon lighting. Staff explained that neon lit internally illuminated letters would be allowed in this location and that neon signs were allowed in Downtown Core as it relates more to the historic character of the Downtown Core. Additional discussion on Code requirements for neon signage.

Commissioner Weimer talked about the two separate items and how to organize a motion separately for each action item.

Commissioner Weimer made a motion to deny Action Item 1 for a variance to allow applicant to exceed limit of one wall, projecting, or roof sign per tenant of a multi-tenant building with findings and conditions on pages 8 and 9 of the staff report. Commissioner Cipperly seconded the motion.

Commissioner Weimer clarified a vote for yes would be to deny the variance.

Commissioner White stated support for the rebranding and expressed opinion that reducing wall signage would not have detrimental effect since wall signage visibility was limited anyway due to trees and view lines.

Commissioner Cipperly also stated loss of signage might not negatively affect visibility as much since the pole sign was staying.

Commissioner Waller stated that the remaining illuminated pole sign would help with continued visibility for the location.

Commissioner Weimer stated that the business and its location are both well known in the community and that the existing illuminated pole sign would help with attracting customers.

Commissioner White commented that new signage has to meet current Code.

DRAFT

Commissioner Shaver expressed that although the business location may be limited in visibility that the variance criteria requirements were not met by the applicant.

Commissioner Shaver called the item to question. Motion passed unanimously 6-0.

Commissioner Waller made motion to deny the variance request of Action Item 2 to allow an internally illuminated sign within the Downtown Core with findings and conditions on pages 8 and 9 of the staff report. Commissioner Wissing seconded the motion.

Commissioner Cipperly asked for confirmation that halo lighting is considered exterior illumination, which staff confirmed correct.

Commissioner White stated that halo lighting would be a reasonable alternative to proposed illumination.

Commissioner White also expressed positive opinion on halo lighting alternative.

Commissioner Shaver called the item to question. Motion passed unanimously 6-0.

Applicant Paul Schritter thanked Commission for their time and efforts reviewing the application.

5 **Commissioner Comments**: P&Z schedule in November and December will be Nov 15th and Dec 13th

6 **Director Comments:**. Asst. City Manager Jenn Ooton gave an update on Comprehensive Plan timeline. Next Comp meeting is in January.

7 **Adjournment:** 7:20pm

DRAFT

Planning Commission Report

Date: December 13, 2022

To: Planning and Zoning Commission

From: Watkins Fulk-Gray, Senior Planner

Subject Consideration of code revisions to Code Section 070.045.070 Inclusionary Zoning Requirements

REQUEST	Consideration of code revisions to 070.045.070 Affordable and Workforce Housing regarding Inclusionary Zoning requirements.
APPLICANT	City of Glenwood Springs
LOCATION	City-wide
ZONE	All

REQUIRED ACTION

Consideration of code revisions to 070.045.070 Affordable and Workforce Housing to revise Inclusionary Housing requirements.

Background

Inclusionary zoning requirements are zoning requirements that make developers include affordable homes, lots, or condominiums in development projects, rather than market-rate products alone. They are instituted when market forces fail to produce residential development that is affordable to most residents, as is the case in Glenwood Springs and many other mountain communities. While inclusionary requirements vary considerably from place to place, it is commonplace for cities and towns in Colorado to have inclusionary zoning requirements on the books, often in addition to other programs or incentives encouraging housing affordability. This report will provide some history of Glenwood Springs's inclusionary zoning requirements and to provide context and data on the current housing outlook, which generally supports what most residents anecdotally understand: housing costs are increasing and becoming less affordable.

In 2021 City Council adopted a new inclusionary zoning program. The new program was incorporated into the development code in March of 2021. In November of 2022, City Council directed Staff to revisit the program and consider increasing the required amount of deed restricted affordable units in residential developments.

This direction from City Council comes amid a time of rapidly rising housing costs. The year 2021 saw an increase of 23% in median sale prices of single-family homes compared to 2020, and a 21.7% increase in

condominium sale prices. So far in 2022, median single-family home sales are up 11.2% over 2021 sale prices and condominiums 34.8%. As of October 2022, the median sale price for a single-family home in Glenwood Springs was about $850,000, and the median sale price for condominiums was about $532,000.

These sale prices are in stark contrast to what is considered affordable to a family earning the area median income (AMI). Staff has calculated that for a family of four earning the area median income, which was about $88,300 in 2021, and not spending more than 30% of the family's income on housing costs, an affordable home price would be about $377,000. Single-family homes, therefore, are at current average sale prices about 225% more expensive than what a family of four could reasonably afford, and condominiums are currently about 141% more expensive than the affordability mark.

Rental price data is often not as readily available, but Staff believes that both older rentals and many of the new large apartment buildings rent at prices considerably higher than what would be affordable for a family earning the area median income. When a household spends more than 30 percent of its income on mortgage or rent, it is characterized as being "cost-burdened." The regional housing study from 2018 estimated that cost burdened household overspending amounted to approximately $54 million in 2017, averaging $320 per month for each of the region's 14,100 cost-burdened households. At that time, the report estimated that roughly 40% of Glenwood Springs households were cost burdened. That number is likely to have increased.

Project Summary

The proposed changes include increasing the percentage of affordable units in new residential developments from 10% to 20% and lowering the threshold at which the affordability requirements take effect from 10-unit projects to five-unit projects. As resident occupancy is also a requirement of the affordable deed restricted units that provision of the code would be unchanged. Below is a direct comparison of code with double underlined text added and ~~strike through~~ text deleted:

> (a) Twenty (20) percent of the total residential units in any new residential or mixed-use development proposing to create five (5) ~~ten (10)~~ or more residential dwelling units shall be deed restricted for resident occupied community housing with an
>
> ~~(b) Ten (10) percent of the total residential units in any new residential or mixed-use development proposing to create ten (10) or more residential dwelling units shall be deed restricted to limit the~~ average initial sales price to no greater than that which is affordable to households earning no more than one hundred (100) percent AMI; or to limit the community housing rental unit rental prices in accordance with guidelines established by the City and generally set at rates that are affordable to households with incomes no higher than one hundred (100) percent AMI, averaged over the total required deed restricted units

The City's Housing Commission recommended these changes and also recommended exploring a commercial linkage requirement. Commercial linkage programs are not addressed in this memo because City Council's initial direction did not ask Staff to investigate commercial linkages, but the Housing Commission briefly discusses commercial linkage requirements. Housing Commission's recommendation is included as an attachment to this report.

Jurisdictional Comparison

With the proposed code changes, Glenwood Springs requirements would be comparable to other mountain communities. In the Roaring Fork Valley, Carbondale also requires 20% of residential units in a new development of at least five units to be deed restricted for cost affordability. Aspen and Vail's zoning requirements are based on floor area, with Aspen requiring 30% of floor area in residential development be affordable, and Vail requiring 10%. The code amendments proposed in this action would only apply to new development and would be an attempt to create a higher proportion of affordable housing alongside market-rate development.

The average purchase price in the City has been increasing due at least in part to a significant shortfall in housing inventory compared to demand for housing. The City's last housing study, which was completed in 2019, found a 2,000-unit shortfall, which included shortfalls in many AMI ranges. The most significant shortfall was for housing affordable to households earning less than 60% AMI, where there was a 1,126-unit shortfall. Families earning between 60% to 80% AMI and 100% to 160% AMI also were found to have a gap between demand and supply for housing.

Current Program Outcomes

Since the creation of the inclusionary zoning requirements in March of 2021, a total of 18 resident occupied units and 23 units deed restricted to 100% AMI affordability have been approved through the inclusionary zoning requirements. Of these 23, none have been constructed yet.

The City contracts with Garfield County Housing Authority for the implementation of the housing guidelines including tenant qualification, initial sales price determination, and program reporting.

There has been relatively little push back from the Development community regarding the current inclusionary housing requirements. Staff does expect additional feedback when units come online, however, to date the requirement of said units has not been seen to deter projects. There has been evidence that some projects are choosing to stay just below the threshold of ten units to avoid the regulation. It is unclear whether lowering the threshold to five (5) unit projects will deter smaller housing projects from being created but is a possibility. The profit margin on smaller projects is less likely to be able to support the affordable unit component.

For comparison, current unit number requirements with the current and proposed options are presented on the next page. For fractional unit outcomes the development's mitigation responsibility will be rounded to the nearest whole number: Below seventy-five hundredths (0.75) round down (= zero (0) unit) and round up from seventy-five hundredths (0.75) and higher (= one (1) unit) per section 070.045.070.

	Current Regulations	
Number of Units	Resident Occupied 20%	Deed Restricted to 100 % AMI, 10%
10	2	1
15	3	1
18	3	2
20	4	2

	Proposed Regulations	Deed Restricted to 100% AMI, **20%**
5		1
6		1
7		1
8		2
9		2
10		2
15		3
18		3
20		4

More stringent regulations may have the effect of chilling interest in development or redevelopment for some projects. These effects are difficult to predict, and another reasonable course of action could be to wait longer to assess the inclusionary zoning requirements until the requirements have been applied to more projects. However, by waiting longer it is possible that the City will lose the opportunity to shape the affordability makeup of other developments that receive entitlements in the meantime. While acknowledging the difficulty of predicting the effectiveness of the new requirements as proposed, Staff believes that the data for housing inventory shortfall, sharp increases in home purchase prices, and the established presence of similar regulations in other jurisdictions warrant the change in inclusionary zoning requirements.

Review Criteria and Analysis

A code amendment is a legislative decision by the City Council. Prior to recommending approval or approving a proposed Code amendment, the Planning and Zoning Commission and City Council shall consider whether and to what extent the proposed amendment meets the following criteria. Staff analysis is in bold.

I. Is consistent with the Comprehensive Plan and other City policies;
The proposed changes are consistent with the Comprehensive Plan.

II. Does not conflict with other provisions of this Code or other provisions in the Glenwood Springs Municipal Code;

The proposed changes to the Code's mitigation requirements do not conflict with the Municipal code.

III. Is necessary to address a demonstrated community need;
Housing is an important community need that City Council has placed as one of it's top strategic planning priorities. The proposal would require a larger proportion of affordable homes with new development.

IV. Is necessary to respond to substantial changes in conditions and/or policy; and
The most recent Regional Housing Study found an overall shortfall of 2,000 dwelling units, and average purchase prices for homes have been changing and growing more expensive rapidly.

V. Is consistent with the general purpose and intent of this Code.
The proposed amendment is in line with the purpose and intent of the Code.

Reviewing Agency Comments
The Housing Commission has submitted a memo for the P&Z's consideration.

Action Item and Staff Recommendation

Action Item:

Consideration of code revisions to 070.045.070 Affordable and Workforce Housing, to revise inclusionary housing requirements.

Staff recommends approval of the code amendment.

Suggested Findings

The proposed code amendment:

I. Is consistent with the Comprehensive Plan and other City policies;
II. Does not conflict with other provisions of this Code or other provisions in the Glenwood Springs Municipal Code;
III. Is necessary to address a demonstrated community need;
IV. Is necessary to respond to substantial changes in conditions and/or policy; and
V. Is consistent with the general purpose and intent of this Code.

CITY OF GLENWOOD SPRINGS
Housing Commission

FROM: HOUSING COMMISSION

TO: CITY COUNCIL

DATE: December 13, 2022

RE: Recommended Inclusionary Zoning Changes

Planning and Zoning Commission:

At its November 10th meeting, the Housing Commission, discussed the City's current inclusionary zoning requirements and possible changes to them. Currently, new developments creating 10 or more new dwelling units are required to deed restrict at least 10% of the units to be affordable at the average level of 100% AMI, with rounding up occurring at the 0.75 unit increments. Unlike some other municipalities, the City has no commercial linkage requirements, which require new commercial developments to provide housing or fees-in-lieu for housing the employees that will work at the commercial development.

Glenwood Springs's City Council first adopted inclusionary housing requirements in 2001, which were suspended in 2011 and repealed in 2017. In 2021, inclusionary housing regulations were once again adopted by City Council, a process that Housing Commission and the Planning and Zoning Commission were involved in. Because of the significant cost increases in for-sale and for-rent housing in Glenwood over the past few years, Housing Commission believes it appropriate to adjust the inclusionary zoning regulations. If these recommendations are approved, it would be the first adjustment to the inclusionary zoning requirements since they were adopted in 2021.

The Housing Commission recommends to the Planning and Zoning Commission that the percentage of required affordable units be increased along with the threshold at which the inclusionary zoning requirements kick in. Specifically, the Housing Commission recommends that 20% of all residential units in a new development with at least five units be required to be deed restricted to affordability at 100% AMI. The Housing Commission would also like to explore instituting a commercial linkage requirement, which the Housing Commission understands would likely require the completion of a nexus study on which to base any new commercial linkage requirements. The proposed inclusionary zoning requirement changes are shown below.

Current code language:

(a) Twenty (20) percent of the total residential units in any new residential or mixed-use development proposing to create ten (10) or more residential dwelling units shall be deed restricted for resident occupied community housing.

(b) Ten (10) percent of the total residential units in any new residential or mixed-use development proposing to create ten (10) or more residential dwelling units shall be deed restricted to limit the average initial sales price to no greater than that which is affordable to households earning no more than one hundred (100) percent AMI; or to limit the community housing rental unit rental prices in accordance with guidelines established by the City and generally set at rates that are affordable to households with incomes no higher than one hundred (100) percent AMI, averaged over the total required deed restricted units.

Proposed code language:

(a) Twenty (20) percent of the total residential units in any new residential or mixed-use development proposing to create ~~ten (10)~~ five (5) or more residential dwelling units shall be deed restricted for resident occupied community housing.

(b) ~~Ten (10)~~ Twenty (20) percent of the total residential units in any new residential or mixed-use development proposing to create ~~ten (10)~~ five (5) or more residential dwelling units shall be deed restricted to limit the average initial sales price to no greater than that which is affordable to households earning no more than one hundred (100) percent AMI; or to limit the community housing rental unit rental prices in accordance with guidelines established by the City and generally set at rates that are affordable to households with incomes no higher than one hundred (100) percent AMI, averaged over the total required deed restricted units.

Over this year the Housing Commission has researched inclusionary zoning and associated requirements in comparable communities. While some jurisdictions structure their affordability requirements in a way that makes apples-to-apples comparisons difficult, Housing Commission has found that the City's current requirements may be on the low end. Carbondale, for example, requires 20% of developments with five or more units to be affordable. Aspen sets its affordability requirements by floor area, and requires 30% of all residential floor area to be affordable. Because of the recent significant rent and home purchase prices in the City and the fact that some neighboring jurisdictions seem to have more stringent requirements, the Housing Commission believes it is the right time to adjust its inclusionary requirements. By adjusting the inclusionary zoning requirements to require more affordable units in more residential developments, and potentially require the creation of new housing with new commercial developments, the Housing Commission believes that the inventory of affordable housing for local workforce within city limits could greatly be impacted, helping both local employers and the City's civic life, among other goals.

Thank you for your consideration.

Sincerely,

Glenwood Springs Housing Commission

070.045.070 Mitigation for Residential Developments.

All new residential subdivisions and all new multi-family residential developments shall set aside lots or units for community housing as set forth in this section.

(a) Twenty (20) percent of the total residential units in any new residential or mixed-use development proposing to create five (5) ~~ten (10)~~ or more residential dwelling units shall be deed restricted for resident occupied community housing with an

(b) ~~Ten (10) percent of the total residential units in any new residential or mixed-use development proposing to create ten (10) or more residential dwelling units shall be deed restricted to limit the~~ average initial sales price to no greater than that which is affordable to households earning no more than one hundred (100) percent AMI; or to limit the community housing rental unit rental prices in accordance with guidelines established by the City and generally set at rates that are affordable to households with incomes no higher than one hundred (100) percent AMI, averaged over the total required deed restricted units

(c) Fractional Remainders. The development's mitigation responsibility will be rounded to the nearest whole number: Below seventy-five hundredths (0.75) round down (= zero (0) unit) and round up from seventy-five hundredths (0.75) and higher (= one (1) unit).

(d) In lieu of the requirements of subsections (a) and (b) of this section, the development may meet mitigation requirements through a donation of land in an amount determined by the City Council meeting the following requirements:

(1) Land shall be free of all liens and encumbrances and shall be conveyed by general warranty deed.

(2) Land shall be properly entitled and capable of supporting the applicable number of community housing units.

(3) Land shall be buildable, have suitable soils and drainage and available utilities, and should not be within an area that has potential geologic hazards associated with development.

(e) The development may provide up to fifty (50) percent of the required mitigation through the restriction of existing units.

(Ord. No. 1-2021 , § 2(Exh. A), 2-18-2021)